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SIPDIS

AF/S FOR BRIAN WALCH  
NSC FOR SENIOR AFRICA DIRECTOR MICHELLE GAVIN

E.O. 12958: DECL: 12/02/2019

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SUBJECT: AMBASSADOR'S COURTESY CALL ON REPUBLIC OF KOREA'S  
AMBASSADOR TO ZIM

Classified By: AMBASSADOR CHARLES A. RAY FOR REASONS 1.4 B,D

11. (C) SUMMARY: The South Korean (ROK) community in Zimbabwe, though small, is heavily involved in the economy and works closely with ZANU-PF officials, especially Grace Mugabe, the wife of the president. In addition to small firms (photo shops and wig stores), Koreans are involved in coal and gold mining. Many ROK businesses in South Africa and Dubai have considered relocating to Zimbabwe, but have hesitated because of the lack of political stability. ROK firms provide 'gifts' to ZANU-PF officials for the privilege of doing business here. The ROK has been trying to negotiate a bilateral investment treaty with Zimbabwe for over four years, a process that has been further complicated with creation of the coalition government. Korean construction firms, many based in South Africa, do a lot of work for Grace Mugabe. END SUMMARY.

12. (C) I met with South Korean Ambassador Jae-Hack OH at his residence on December 1, 2009. Oh is an outgoing individual who speaks very good English, but who is not necessarily very pro-American. The Republic of Korea (ROK) has had a diplomatic presence in Zimbabwe for several years. Prior to the opening of the ROK embassy, the DPRK had an embassy here, but when Seoul sent its ambassador, Pyongyang moved its embassy to South Africa and now only has a small trade mission in Zimbabwe. There are probably North Korean security and military officials here, but Oh was not aware, or at least claimed not to be aware, of where they are. He said that the South Korean community in Zimbabwe is small, under 200 (including children), and consists mainly of small business owners. Koreans run a number of photo shops and wig stores in Harare. Koreans are also heavily involved in coal and gold mining, mainly by companies based in South Africa.

13. (C) Because of the debt crisis in Dubai, a number of ROK firms there have been considering relocation to Zimbabwe, as have companies in South Africa. The thing delaying them, Oh said, is the lack of political stability. The presence of massive corruption has not deterred Korean firms, and in fact, many routinely give 'gifts,' including expensive cars, to ZANU-PF officials to grease the skids for business deals. Seoul has been trying to negotiate a bilateral investment treaty with Zimbabwe for over four years. When the ZANU-MDC government was formed, Zimbabwe provided a new proposed draft which Oh said was drastically different from the draft that Seoul provided several years ago. He said it is likely the negotiations will drag on for several more years.

14. (C) South Korean construction firms, many based in South Africa, are extensively involved in construction projects with Grace Mugabe, wife of the president. Oh said this has included a number of apartment and shopping center projects in addition to construction at her many farms. These firms

seek to expand their presence in the country, and are prepared to do whatever is necessary to achieve this goal.

15. (C) COMMENT: Oh was a bit disdainful of EU colleagues here, saying that their insistence on sanctions and other restrictive measures have hurt the business climate and not had the desired impact. A large part of that view is shaped by the fact that Korean business people deal mostly with ZANU-PF officials, and they repeat to him what their ZANU-PF interlocutors say. There is also an apparent resentment that the EU embassies don't seem to involve Korea in their discussions about events. There has been a decidedly Euro-centric focus in a lot of the discussions, and Korea is not really involved in the same degree of aid and assistance as other countries. That said, there does seem to be a sentiment among some of the EU ambassadors to reach out to Asian and African counterparts more than has been the case in the past. END COMMENT.

RAY